

ASSEMBLY BILL

No. 1912

Introduced by Assembly Member Plescia

February 8, 2008

An act to add and repeal Sections 17053.1 and 23608.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1912, as introduced, Plescia. Income and corporation taxes: credit: wildfire risk reduction improvement.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2009, and before January 1, 2013, in an amount equal to 15% of the cost that is paid or incurred by a taxpayer during the taxable year, after deducting the value of any other municipally, state, or federally sponsored financial incentives, for the purchase and installation of any wildfire risk reduction improvement, as defined, installed on existing property in this state.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.1 is added to the Revenue and
- 2 Taxation Code, to read:

17053.1. (a) For each taxable year beginning on or after January 1, 2009, and before January 1, 2013, there shall be allowed a credit against the “net tax,” as defined by Section 17039, in an amount equal to 15 percent of the cost that is paid or incurred by a taxpayer during the taxable year, after deducting the value of any other municipally, state, or federally sponsored financial incentives, for the purchase and installation of any wildfire risk reduction improvement installed on existing property in this state.

(b) For the purposes of this section, “wildfire risk reduction improvement” means a modification to existing property that reduces the vulnerability to a wildfire, including, but not limited to, replacement of less fire-resistive materials with fire-resistive or noncombustible roofing material, siding or walls, decking materials, and windows as well as improvements that create boxed eaves, louvered attic vents and other modifications that reduce or remove the opportunity for wind blown embers to penetrate into vulnerable areas of a structure.

(c) No credit shall be allowed under this section unless the wildfire risk reduction improvement is actually used for purposes of reducing the risk of wildfires on the taxpayer’s property.

(d) No other credit and no deduction shall be allowed under this part for any cost for which a credit is allowed by this section. The basis of the wildfire risk reduction improvement shall be reduced by the amount allowed as a credit under subdivision (a).

(e) In the case of any passthrough entity, any credit under this section shall be allowed to the passthrough entity and passed through to the partners or shareholders in accordance with applicable provisions of Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001). For purposes of this subdivision, “passthrough entity” means any partnership or “S” corporation.

(f) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(g) This section shall remain in effect only until December 1, 2013, and as of that date is repealed.

SEC. 2. Section 23608.1 is added to the Revenue and Taxation Code, to read:

23608.1. (a) For each taxable year beginning on or after January 1, 2009, and before January 1, 2013, there shall be allowed a credit against the “tax,” as defined by Section 23036, in an amount equal to 15 percent of the cost that is paid or incurred by a taxpayer during the taxable year, after deducting the value of any other municipally, state, or federally sponsored financial incentives, for the purchase and installation of any wildfire risk reduction improvement installed on existing property in this state.

(b) For the purposes of this section, (1) “wildfire risk reduction improvement” means a modification to existing property that reduces the vulnerability to a wildfire, including, but not limited to, replacement of less fire-resistive materials with fire-resistive or noncombustible roofing material, siding or walls, decking materials, and windows as well as improvements that create boxed eaves, louvered attic vents and other modifications that reduce or remove the opportunity for wind blown embers to penetrate into vulnerable areas of a structure.

(c) No credit shall be allowed under this section unless the wildfire risk reduction improvement is actually used for purposes of reducing the risk of wildfires on the taxpayer’s property.

(d) No other credit and no deduction shall be allowed under this part for any cost for which a credit is allowed by this section. The basis of the wildfire risk reduction improvement shall be reduced by the amount allowed as a credit under subdivision (a).

(e) In the case of any passthrough entity, any credit under this section shall be allowed to the passthrough entity and passed through to the partners or shareholders in accordance with applicable provisions of Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001). For purposes of this subdivision, “passthrough entity” means any partnership or “S” corporation.

(f) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(g) This section shall remain in effect only until December 1, 2013, and as of that date is repealed.

1 SEC. 3. This act provides for a tax levy within the meaning of
2 Article IV of the Constitution and shall go into immediate effect.

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